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Mr. Patrick Miller
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: T-NETIX, Inc. and T-NETIX Telecommunications Services, Inc.
Supplemental Notice of New Financing Arrangement
DN 04-00237**

Tel 407-740-8575

Fax 407-740-0613 Dear Mr. Miller

tmi@tminc.com

Enclosed for filing with the Commission are the original and thirteen copies of the Supplemental Notice of New Financing Arrangement filed on behalf of T-NETIX, Inc. and T-NETIX Telecommunications Services, Inc. This supplemental information is submitted in support of the Company's Notice filed July 27, 2004, DN 04-00237. The supplemental information in this notice describes certain changes made to the proposed debt structure, and seeks approval of the financing as revised.

Please acknowledge receipt of this filing by date-stamping the extra copy of this letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions regarding this filing should be directed to my attention at (407) 740-3004 or morton@tminc.com

Sincerely,

Robin Norton, Consultant to
T-NETIX, Inc.

RN/bc

Enclosures

cc: Kendall Hollon - T-NETIX
File. T-NETIX, Inc - TN
TMS. TNX0402b

**SUPPLEMENTAL NOTICE OF
NEW FINANCING ARRANGEMENT**

of

T-NETIX, INC. and T-NETIX TELECOMMUNICATIONS SERVICES, INC.

DN 04-00237

T-NETIX, Inc. ("TNI") and T-NETIX Telecommunications Services, Inc. ("TTS") (hereinafter referred to jointly as "T-NETIX" or "Parties") hereby submit the following supplemental information to that provided in the original notice filed on August 6, 2004 in the above-referenced docket. In the original notice, Parties notified the Tennessee Regulatory Authority ("TRA") of their intent to participate in up to \$230 million in debt financing. The supplemental information set forth below describes certain changes made to the proposed debt structure. In addition, Parties' parent company's name has been changed. A description of the revised transaction is set forth in Section I below. The rest of the information provided in the original notice has not changed and is incorporated herein by reference. Importantly, the proposed closing date for the financing is still scheduled for mid-September.

T-NETIX submits the following supplemental information to its Notice filed August 6, 2004:

I. DESCRIPTION OF REVISED FINANCING TRANSACTION

Under the terms of the revised financing transaction, all of Parties' current financing facilities will be paid in full. In lieu thereof, Parties (along with certain other wholly-owned, non-operating subsidiaries of TNI, herein "Subsidiaries") will be guarantors and pledgors in support of new financing being obtained by TNI's parent company, Securus Technologies, Inc., a Delaware corporation, formerly named TZ Holdings, Inc., (herein "STI").

By this Notice as supplemented herein, Parties seek TRA approval for their participation in a new financing transaction that replaces all current financing and whereby STI will incur

debt in an amount up to \$229 million, secured by certain of STI's assets and guaranteed by Parties and Subsidiaries. In addition, Parties and Subsidiaries will pledge certain of their assets to secure portions of the financing, as explained more fully below.

First, Parties and Subsidiaries will provide guarantees, secured by their personal property (including intellectual property) in support of a \$30 million syndicated revolving credit facility (the "Credit Facility") whereby STI will be the borrower and ING Capital LLC will be the agent and lender. The final maturity of the Credit Facility will be September, 2009. The proceeds of the Credit Facility will be used for the ongoing working capital needs of STI (and its subsidiaries) and for general corporate purposes, which would include the ongoing operations of Parties.

Second, Parties and Subsidiaries will provide guarantees in support of up to \$154 million of senior notes (herein so called) to be issued by STI. These guarantees of STI's Senior Notes will also be secured by the assets and stock of the Parties and Subsidiaries ("Collateral"), although the security interest of holders of the Senior Notes in the Collateral will be second in priority to the security interest granted to the lenders under the Credit Facility.

Finally, STI will issue an additional \$40 million in senior subordinated notes ("Senior Subordinated Notes"), for which Parties and Subsidiaries will provide unsecured guarantees on a senior subordinated basis (i.e., subordinated to the secured guarantees made in connection with the Credit Facility and the Senior and Senior Subordinated Notes).

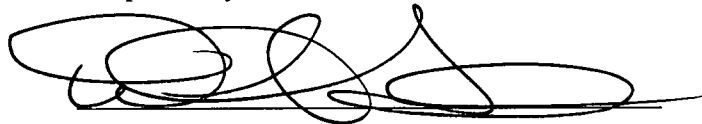
Parties' participation in the proposed financing transaction for the purposes stated will not result in a change in management matters or in the day-to-day operations in Tennessee; nor will it adversely affect current or proposed operations in Tennessee. In fact, the financing transaction will enable Parties to better utilize available funds to enhance service in Tennessee. Accordingly, and to the extent required, Parties respectfully request that the TRA approve the requested Credit Facility and participation in the related Senior and Senior Subordinated Notes and other transactions described herein.

Parties have determined that in order to realize certain economic efficiencies, Parties will need immediate access to capital available through the proposed financing. Parties plan to use the funds made available through the financing to refinance existing indebtedness, and for funding working capital, capital expenditures, and other corporate purposes.

II. CONCLUSION

For the reasons stated above, Parties submit that the public interest, convenience and necessity will be furthered by TRA approval of Parties' participation in the proposed revised financing transaction described herein. The Parties expect to consummate the revised debt structure as soon as possible, but in any case no later than mid-September, 2004. Accordingly, Parties respectfully request expedited approval of participation in the proposed debt financing transaction, and grant of all such other relief as necessary and appropriate to effectuate the transaction described herein.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Wayne A. Johnson II', written over a horizontal line.

Wayne A. Johnson II, Executive Vice
President/General Counsel
T-NETIX, Inc.
T-NETIX Telecommunications Services, Inc.

2155 Chenault Drive, Suite 410
Carrollton, Texas 75006.
Telephone: (972) 241-1535